

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-384

November 20, 2001

MAINE PUBLIC SERVICE COMPANY
Request for Approval of RFP Pursuant to
Chapter 307(6)(B)(3) For Soliciting Bids
On Energy and Capacity Entitlement

ORDER REGARDING
ENTITLEMENT
AGREEMENTS

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

Through this Order, we inform Maine Public Service Company (MPS) that it should enter the agreements it filed on November 6, 2001 to sell capacity and energy entitlements from the Wheelabrator-Sherman Energy Company facility to Energy Atlantic, LLC (EA) and WPS Energy Services, Inc. (WPS).

II. BACKGROUND

On June 6, 2001, MPS filed a proposed request for proposals package (RFP) in accordance with Chapter 307 of the Commission's rules. The purpose of the RFP was to solicit proposals for the purchase of MPS's entitlement to capacity and energy from the Wheelabrator-Sherman Energy Company facility, located in Sherman, Maine, for a term beginning on March 1, 2002. Pursuant to 35-A M.R.S.A. § 3204(4), MPS must sell the entitlement to capacity and energy from any generation asset or contract it does not divest. Wheelabrator-Sherman is MPS's only remaining generation entitlement.

In response to discussions with staff, MPS submitted a revised RFP package on July 24, 2001. On August 2, 2001, the Director of Technical Analysis approved the revised RFP pursuant to Chapter 307, section 6(B)(3).

On October 19, 2001, MPS filed its analysis of the bids. MPS concluded that the value of its Wheelabrator-Sherman entitlement would be maximized by selling 60% to WPS and 40% to EA. Both transactions would be for a two-year period beginning March 1, 2002. On November 6, 2001, MPS filed unexecuted power purchase agreements it negotiated with WPS and EA.

III. DECISION

We have reviewed MPS's analysis of the bids and its agreements with the winning bidders. We concur that the value of Wheelabrator-Sherman entitlements are maximized by selling 60% to WPS and 40% to EA for two years beginning March 1,

2002. Accordingly, pursuant to Chapter 307, section 7(I), we inform MPS that it should enter the contracts with WPS and EA that it filed on November 6, 2001.¹

Dated at Augusta, Maine, this 20th day of November, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

¹ On November 19, 2001, MPS filed a letter requesting approval pursuant to 35-A M.R.S.A. § 707(3) to enter the entitlement agreement with EA to the extent the section applies to the transaction. To the extent necessary, such approval is granted.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.